(d) whether it is a fact that Government have set up a wing to examine, check and verify the recommendations;

(e) if so, what are the details of findings of this wing on these recommendations;

(f) whether Government have evolved any guidelines for allowing escalation and if so, since when they were put in operation; and

(g) what is the legal sanctity of the guidelines?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (g) The prices of Scheduled bulk drug are fixed/revised in accordance with the provisions laid down under DPCO, 1987 and are notified in the Extra Ordinary Official Gazette from time to time. After January 1991, prices of more than 130 bulk drugs have been fixed/revised. These prices have been fixed/revised in accordance with the cost-cam-technical study conducted by the BICP and detailed examination of these reports by the Department of Chemicals and Petrochemicals or on the basis of escalation formula given in BICP Report. The BICP Reports which are confidential in nature are essential input for decision making in the process of Price fixation/revision.

Iincreasing MAPE in 1986 Measures

1337. SHRI K. G. MAHESH WARAP-PA: Will the PRIME MINISTER be pleased to refer to the answer to UnStarred Question 1666 given in the Rajya Sabha on the 12th September, 1991 and state:

(a) what are the reasons for increasing MAPE in 1986 measures;

(b) whether it is a fact that Government did not study the adekuacy of commission on drug prices before increasing the trade commission;

(c) what were the basis on which increase in Trade Commission was decided and what is the name of the authority who recommended the increase; and

(d) what steps have been taken to reduce Trade Commission and investigate the matter?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) With a view; to stimulate production of drugs & formiilations and to provide reasonable return to the producers of essential drugs arid reasonable returns to the manufacturers, MAPE had been increased in the Measures announced in December, 1986.

(b) and (c) Since there was increase in MAPE under DPCO, 1987, it was felt necessary to pass on its benefit to trade also. The existing trade (Jommission is based on the recommendations made by the Committee constituted under the Chairmanship of the then! Chairman, BICP.

(d) The extent of trade commission remained a contentious issue even after its increase under DPCO, 1987. Government had, therefore, constituted a Committee under the Chairmanship of Dr. I. Z. Bhatty, the then Director General, NCERT, for undertaking a detailed and comprehensive study of tb,e pattern of Trade Margins in the Pharmaceutical Industry. Final Report of the Committee is awaited.

Rectification of Discrepancies by B.I.C.P.

1338. SHRI M. A. BABY: Will the PRIME MINISTER be pleased to refer to the answer to UnStarred Question 1652 given in the Rajya SJabha on the 12th September, 1991 and state:

(a) what are the details of discrepancies which were rectified by BICP based on which price increase of Vitamin C •and its salts were recommended;

(b) what are the reasons on which dis-crepancy occured in the original report of BCP and at whose instance it was detected;

(c) what is the stage from which Vitamin C is being produced and what are